

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7813

BILL NUMBER: SB 528

NOTE PREPARED: Jan 12, 2007

BILL AMENDED:

SUBJECT: Eminent Domain for Pipeline Companies.

FIRST AUTHOR: Sen. Jackman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill requires a pipeline company that seeks to acquire an interest in land to make an offer to the landowner to purchase the interest at least 30 days before filing a condemnation action. The bill provides that the offer must include: (1) a copy of the appraisal on which the company's offer is based; and (2) a statement that the landowner is entitled to hire a disinterested appraiser to perform an appraisal, the costs of which will be paid for by the company, in an amount not exceeding \$2,500. The bill also sets forth the procedures to be followed by a landowner who chooses to obtain an appraisal. This bill provides that a landowner whose property is located within one-half mile of a proposed pipeline may obtain a qualified appraisal to determine whether the property is materially diminished in value as a result of the proposed pipeline. The bill also provides that the affected landowner's property is materially diminished in value if there is a reduction in value of at least 10% from a baseline value. The bill provides that the affected landowner may file a suit to recover the amount by which the value of the property has been materially diminished. The bill also sets forth procedures to be followed in a suit brought by an affected landowner.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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